



UNITED STATES DEPARTMENT OF EDUCATION

Federal Student Aid

TO: Secretary Rod Paige
U.S. Secretary of Education

FROM: Terri Shaw
Chief Operating Officer

RE: FSA Weekly Report

DATE: June 14, 2004

THE WEEK AHEAD

American Association of Cosmetology Schools: On June 14, FSA representatives will be presenting at the American Association of Cosmetology Schools Conference in Las Vegas, NV.

Midwest Association of Student Financial Aid Administrators: From June 19-24, FSA representatives will present at the Midwest Association of Financial Aid Administrators Conference.

WEBEX Direct Loan Training in Spanish: On June 14-17, FSA representatives will be conducting WEBEX Training in Spanish for participating FSA schools.

FSA IN THE FIELD

2004 Women's Leadership Forum: On June 10, Terri Shaw participated on an executive panel moderated by CNN's Judy Woodruff. The panel topics centered around the need to innovate to drive results and high performance. The Forum was held at the Willard Hotel in Washington, DC.

Vocational Institutions: During the week of June 7, FSA representatives, in conjunction with the Miami-Dade County School District, conducted a workshop for vocational technical institutions in southern Florida. Over the past two years, systemic compliance issues have been found at similar institutions and this workshop is being held to address these issues and provide focused training.

Foreign Schools: On May 29, FSA representatives presented at the Twelfth Annual Australian Post-NAFSA Seminar in Baltimore, Maryland hosted by the Australian Education Office and AEI – International Education Network.

Fundamentals of Title IV Aid Training: From June 7-11, FSA representatives conducted Fundamentals of Title IV Aid training at the Philadelphia regional office.

Mississippi Financial Aid Administrators Conference: From June 6-9, FSA representatives presented at the Mississippi Financial Aid Administrators Conference.

California Association of Student Financial Aid Administrators Conference: On June 7, FSA representatives presented at the California Association of Student Financial Aid Administrators Conference.

OPERATIONAL METRICS

Application Activities through June 7, 2004: The Central Processing System (CPS) has processed 7.65 million applications for the 2004-05 cycle, a 2.6% increase over the 2003-04 cycle.

Program Disbursements: Through the week ending June 5, annual Pell Grant disbursements reached \$12.2 billion for the 2003-04 academic year. Through the week ending June 5, annual Direct Loan disbursements reached \$11.4 billion for the 2003-04 academic year. Through the week ending June 1, annual FFEL disbursements reached \$27.4 billion for the 2003-04 academic year. Through April, annual Direct Consolidation Loan disbursements reached \$3.87 billion.

Direct Loan (DL) Servicing: As of April 30, FSA was servicing 17.3 million DL loans (a 2.6% increase over last year) with a total portfolio value of \$82.9 billion (a 3.2% increase over last year) representing 6.4 million borrowers (a 3.6% increase over last year).

Consolidation Activity through April 30, 2004: Year to date, student loan consolidations from the Direct Loan program into the Direct Loan Consolidation program totaled 1.8 billion, a 5% decrease over last year. Consolidations from the FFEL program into the Direct Loan Consolidation program totaled 2.0 billion, a .2% decrease over last year. Consolidations from the Direct Loan program into the FFEL program totaled \$5.4 billion, a 22.3 % increase over last year.

Total Default Recoveries: Through June 11, total FSA Default Recoveries for FY04 reached \$1.335 billion, an increase of 15% from this time last year. Total non-consolidation recoveries reached \$1.198 billion, an increase of 24%. Combined Recoveries from our private collection agency efforts have reached \$844 million, up 23% over the same period in FY03.

Total Guarantor Recoveries: Total Guarantor Default Recoveries through April 30 were \$2.31 billion, an increase of 5% over the same period last year. Combined ED and Guarantor recoveries through the end of April reached \$3.38 billion, a 9% increase over the same period in FY03. Total non-consolidation recoveries for ED and Guarantors combined reached \$2.08 billion, an increase of 15%.

Direct Loan Delinquency Summary: The Direct Loan portfolio delinquency rate for April 2004 is 10.84%, an increase from the March delinquency rate of 10.24% and a decrease from the April 2003 delinquency rate of 12.01%.

1-800-4-FED-AID through June 5, 2004: Year to date, the Federal Student Aid Information Center (FSAIC) has received 3.6 million calls, a 11.1 % decrease over last year. Service levels

have increased with 98.9% of calls completed, a .3% increase over last year. The average speed to answer decreased by 30% over last year to 7.7 seconds.

Direct Loan Servicing Call Center Phone Activity through June 4, 2004: Year to date, the Direct Loan Servicing Centers received 2.7 million calls to the Interactive Voice Response System, a decrease of 6.82% from 2003. Of those calls received, Borrower Services representatives handled 1.9 million calls, a decrease of 8.1% from 2003. The average speed of answer was 4.98 seconds, a decrease of 19.61% from 2003. The resolve rate for the Voice Response System was 27.72%, an increase of 3.81% from 2003. The Abandoned Call Rate was 0.23%, a decrease of 8.51% from 2003.

Student Aid on the Web: For the month of May, *Student Aid on the Web* recorded 1,572,178 visits, 26,183,581 hits and 2,766,584 page views representing increases over last May of 146.6%, 70% and 62.4% respectively.

Through the end of May, *MyFSA*, the *Student Aid on the Web* feature that allows students and parents to establish their own personal password protected accounts for use as they move through the financial aid life cycle, has recorded 34,668 new accounts. To date 2,910 students have submitted their FAFSA applications and 1,144 have applied for admission to college using the transfer module and the data entered in their *MyFSA* accounts.

FAFSA on the Web: Within the next week, FAFSA on the Web will log the 6 millionth application submitted online.

Students.gov: In May 2004, Students.gov logged 214,603 visitors or 5.5 million hits, an increase of 19% over May 2003. As of June 1st, 14,902 had subscribed to Students.gov "InfoSource", a service that highlights the features of students.gov.

Customer Service Call Center Statistics: For the week ending May 29, the Customer Service Call Center received 327 inquiries, posted one item to FSA Tech, and posted seven documents to IFAP.

Information for Financial Aid Professionals (IFAP) Web site Usage: For the week ending May 29, www.ifap.ed.gov received 57,313 visits or 2.0 million hits.

Schools Portal Usage: For the week ending May 29, www.fsa4schools.ed.gov received 11,720 visits or 2.0 million hits.

Financial Partners Portal: For the week ending May 21, 2004, the Financial Partners Portal received 49,513 hits and 2,146 visits.

KEY ISSUES

ID Theft Alerts: As part of a six-month identity theft awareness and prevention campaign, Direct Loan statements sent to borrowers in May included tips on avoiding identity theft and referred borrowers to a unique URL on Student Aid on the Web. Since the bills were sent, visits to that URL have increased each week.

Private Collection Agency (PCA) Task Order Procurement: On June 3, FSA's Collections Group held a Pre-proposal Bidders' Conference for prospective contractors in Atlanta, GA. Over 150 participants representing 38 firms recommended for participation in the competitive bid process attended. Collections Group staff from headquarters and the Atlanta regional office provided detailed instructions on the solicitation process and answered questions regarding procedures and requirements for bid proposals.

On June 7, the Contracting Officer for the Private Collection Agency Task Order issued the final solicitation to the firms that were invited to compete. A copy of the solicitation is available on the solicitation website (<http://www.1800IWILLPAY.com/pca/>). Twenty-eight agencies were invited to participate in the "unrestricted" competition and ten agencies were invited to participate in the "small business" competition for task order awards. The due date for responses is July 15, 2004. Completion of the awards process is scheduled for September 30, 2004.

E-Gov: E-Authentication: On May 28, the Federal E-Authentication initiative issued a government-wide "data call" for information on systems considered "major" under the Federal Information Security Management Act (FISMA). Information such as system URL, authentication type, and general system descriptions are being requested for 77 systems across the Department (17 at FSA). The E-Authentication Project Management Office at GSA requests the data call be completed by July 22, 2004. Risk assessment for systems classified as "major" is due by December 15, 2004. Risk assessments for all systems are due by September 15, 2005. FSA's Application Development Group is working with the Department's OCIO/Information Assurance as well as FSA Security Managers to coordinate a Department-wide response to the data call.

ON THE HORIZON

Presentations at Regional and State Financial Aid Administrator Conferences: FSA representatives will be making presentations at the following state financial aid administrator conferences in the coming weeks:

June 27-29	Southern and Southwestern Associations of Student Financial Aid Administrators
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FSA in the Classroom: FSA representatives will be conducting training sessions at the following events in the coming weeks:

June 14-17	WEBEX Direct Loan Training in Spanish
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CONTACT INFORMATION

Please contact Chris Greene at 377-4003 with any questions.